



*Michael C. Schlachter, CFA
Managing Director & Principal*

May 31, 2011

Dr. George Diehr
Chair of the Investment Policy Committee
California Public Employees' Retirement System
400 Q Street
Sacramento, CA 95814

Re: Revisions to AIM Delegation Resolutions

Dear Dr. Diehr:

You requested Wilshire's opinion with respect to the proposed AIM Delegations.

Recommendation

Wilshire recommends that the Investment Committee approve the changes as presented.

Background

In our letter to you of May 11, 2010, which supported the rescinding of delegated authority to the former SIO for AIM, we stated that "In the event that the SIO-AIM returns to active status or a new SIO-AIM is named, this authority can be re-granted in the future."

Given that CalPERS now has a new SIO of AIM, we agree that it is appropriate to re-authorize whatever delegations were removed from this position during the period of personnel turnover.

Should you require anything further or have any questions, please do not hesitate to contact us.

Best regards,

A handwritten signature in black ink, appearing to read 'Michael Schlachter', is written over a light blue horizontal line.